



# **Tire Environmental Act Program**

## **Proposal Application Manual**

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# Tire Environmental Act Program

## Overview

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### BACKGROUND:

In 2015, the Tennessee Automotive Association partnered with the Tennessee Department of Environment and Conservation (TDEC) and the General Assembly to establish the Tire Environmental Fund. At the time of a new motor vehicle retail sale in Tennessee that is to be titled and registered in Tennessee, a flat fee based on the number of the vehicle's wheels is assessed. The purpose of the fee is to fund projects that create and/or expand beneficial end uses for waste tires.

Under Tennessee Code Annotated § 68-211-305, TDEC is designated by the Tire Environmental Act as the administrator of the Tire Environmental Act Program (TEAP) for beneficial end use of waste tires in Tennessee, including fund recipient selection. Oversight of TEAP is managed through TDEC's Office of Policy and Sustainable Practices (OPSP). Reports updating program progress and metrics are made annually to TDEC's Commissioner and the General Assembly.

The new tire environmental fee is imposed on the purchase of new motor vehicles under Tennessee Code Annotated § 68-211-303. This is distinct from the tire pre-disposal fee enacted in 1991, which is imposed on the sale of new tires except those tires sold as a component of a new or used motor vehicle. The funds collected through the tire environmental fee and deposited in the Tire Environmental Fund are used for TEAP; the tire pre-disposal fee revenue is allocated to the Solid Waste Management Fund or to counties by the Tennessee Department of Revenue for beneficial end use of tires in accordance with Tennessee Code Annotated Title 67, Chapter 4, Part 16, and § 68-211-867.

### PURPOSE OF THE TIRE ENVIRONMENTAL ACT PROGRAM

The purpose of TEAP is to provide grants to provide direct incentives to enhance collection, transportation, and processing related to Tennessee markets for waste tires and to provide grants to encourage research, technologies, and processes to enhance the use of tires as alternative fuels or in innovative infrastructure developments. Applicants must demonstrate how their project will improve or enhance beneficial end uses for scrap tires. TEAP provides financial assistance to eligible entities in Tennessee that fit into one, or more than one, of the following eligible project categories:

- 1. Tire Recycling:** Local government, nonprofit, and for-profit entities that collect, transport, receive and/or process waste tires into a material for beneficial end use<sup>1</sup>, as defined in the footnote below. Some

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<sup>1</sup> A beneficial end use of scrap tires is the use of tires to serve as a replacement for another material, after it is processed and loses its identity as a solid waste or as a tire by providing an environmental or engineering advantage, or by the material becoming a value-added product that is returned to commerce. A beneficial end use shall not result in unacceptable environmental or public health impacts and may not simply be a disposal method. According to Tenn. Code Ann. § 68-211-867 a "beneficial end use" includes: (1) Cement manufacturing; (2) Burning of tire-derived fuel in contained industrial boilers for the capture of energy; (3) Production of tire-derived fuel, provided the department approves the planned use of the processed tire material; (4) The crumbling or pyrolysis of tire material, provided the processor provides for the planned use of the processed tire material under such requirements established by the department; (5) Recreational applications, including, but not limited to, playgrounds, running tracks, and walking paths; or (6) Any use otherwise deemed appropriate by the department of environment and conservation and for which either the board has promulgated rules or the department has developed and published policies.

example projects include tire shredding, tire granulation, pyrolysis, cryogenic processing. Proposals should identify viable end market(s) and associated partners.

**2. Tire-derived Material Use:** Local government, nonprofit, and for-profit entities that enhance beneficial end uses of processed waste tires. Some potential example projects include construction of permeable surfaces that have environmental and engineering advantages, molded or extruded rubber products, use of tire-derived aggregate in construction erosion control, filtration, or the construction of infrastructure using tire-derived materials.

**3. Research and Development:** Entities (*limited to higher education institutions and/or academic research centers*) that conduct research, testing, or development of beneficial uses or products derived from waste tires. Research and development must focus on waste tire management, the use of tires as alternative fuels, or the use of tires in innovative infrastructure developments. Proposals should identify viable end market(s) and associated partners. Some potential example projects include rubberized asphalt research or research of alternative processing technology.

## ***Grant Timeline***

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### **GRANT APPLICATION TIMING AND DELIVERY:**

Grant applications with all attachments must be received electronically in .pdf (portable document format) with all grant application materials. The grant application must be submitted to the email address provided in the contact section. Awards for this grant cycle are subject to available funds and awarded at the discretion of the Office of Policy and Sustainable Practices. Submission of a complete application does not guarantee that the applicant will receive a TEAP grant.

### **GRANT TIMELINE:**

**20 Days from Grant Application Submittal:** Status of Application (approval or denial will be communicated with applicant).

\*No work shall begin on grant projects until an executed contract has been signed by all parties.

## ***Eligibility***

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Eligible entities that will conduct, install, or construct projects to enhance or expand beneficial end uses in Tennessee for Tennessee waste tires are eligible for TEAP funding. TDEC encourages project submissions that are fully Tennessee based, both in terms of tire origination and processing. For tire-derived product use projects, additional documentation of tire origin will be required from the tire processor when submitting the application for funding. Documentation shall include, at a minimum, tonnage of Tennessee tires collected annually, tire types being collected (passenger, truck, agricultural), tonnage of tires acquired for project being submitted, total count of tires being recycled, and primary geographic region where tire collection occurs. An example certification document can be found on the TEAP webpage.

To be eligible, an entity must obtain all permits, registrations, or certifications required for the proposed project by state law prior to application. Any entity that has been issued a permit, registration, or certification must be current and in good standing regarding such permit, registration, or certification. All applicants will also undergo a check for compliance with applicable laws and regulations.

Applicants must meet the following criteria to be considered for a grant:

1. The applicant must submit a complete application via email to [tire.grant@tn.gov](mailto:tire.grant@tn.gov). A complete application is described below in the section titled "Required Application Components."
2. The project must demonstrate new or increased uses of scrap tires or scrap tire derived material.
3. The project must fall into one of the following categories: tire recycling, tire-derived material use, or research and development.
4. Scrap tires must be acquired from within the state of Tennessee. For tire-derived product use projects, additional documentation of tire origin will be required from the tire processor when submitting the application for funding.
5. The project must be located in Tennessee.
6. Applicants requesting funding for scrap tires or equipment must submit documentation that the technology to be utilized in the proposed process is beyond the research stage and that a demonstration has indicated the proposed process is feasible for full-scale production (Not applicable to Research and Development Category).
7. "Tire-derived product use" projects shall post at least one permanent sign in public location(s) stating the approximate amount of Tennessee scrap tires that were collected and diverted from landfills and that the project was funded in part by the Tire Environmental Act Program.

**PROJECTS NOT ELIGIBLE:**

- Tire collection sites (as identified by TDEC Division of Solid Waste Management)
- Used tire sales
- Projects that involve disposal of tires into a landfill
- Purchase of real property
- **New** construction of buildings or structures (improvements and upgrades to an existing facility are acceptable)
- Ideas for beneficial reuse of tires not supported by proof of concept and evidence of matching funds
- Ideas for research and development not supported by proof of concept and partnership with an approved entity, as identified above
- Items not directly related to the diversion and beneficial reuse of Tennessee tires

\* By signing the Grant Application, the applicant certifies that the entity along with any other officers, directors, owners, partners, employees, or agents is (are) not presently debarred, suspended, proposed for debarment or suspension, or declared ineligible for an award by any state or federal agency. This is in accordance with Federal Acquisition regulation 52.209-5 and Tenn. Comp. R. & Regs. 0690-03-01-.17.

## ***Funding***

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**GRANT REQUESTS AND MATCHING THE GRANT:**

The applicant must, at a minimum, match the grant amount requested. The applicant must specify the match percentage as one of the following:

- 50% grant / 50% match; or

- Greater than 50% match (amount specified).

Preference is given to applicants that provide greater than 50% match.

**ITEMS NOT ELIGIBLE FOR MATCHING FUNDS:**

- Real property
- Furniture, furnishings, and fixtures
- Salaries or wages of employees of for-profit entities
- Fees associated with permits and associated financial assurance
- Professional fees, including architectural and engineering services, and administration costs
- Other items not directly related to the diversion and beneficial reuse of Tennessee tires
- Amounts spent outside of the TEAP contract term

**MINIMUM AND MAXIMUM FUND REQUESTS**

- The minimum amount of funding that can be requested for an eligible project is \$10,000.00.
- The maximum amount of funding that can be awarded is contingent upon and limited by the Tire Environmental Fund balance.

**GRANT CANCELLATION:**

- TDEC may terminate and cancel this Grant Program at any time. In such a case, TDEC will give the applicant 30-days written notice.
- If for any reason the funds become unavailable, TDEC may cancel the Contract and will not be obligated to make any payments under the Contract after the termination date. TDEC will provide a 30-day notice of any such termination.

TEAP is a competitive grant; not all eligible applications will receive funding and preference will be given to entities that have not previously received TEAP funding. Responses to applications will be made within the grant timeline identified below. If an application does not receive funding, TEAP staff will discuss the reasons for denial with applicants, upon request.

\*No work shall begin on grant projects until an executed contract has been signed by all parties.

## ***Format and Checklist***

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**APPLICATION CONTENT/REQUIREMENTS:**

Applicants must complete and provide the items listed below in the grant application.

As part of your application you will be asked to submit the following:

All applicants are required to submit a proposal. As part of your proposal you will be asked to submit the following:

1. Tennessee Environmental Act Program Application:
  - 2 pages

- Provided by TDEC via fillable PDF form.
- 2. Project Pre-Proposal:
  - 5 Page Maximum Narrative
  - Using the Selection Criteria (1-10 on page 6 of this document), the applicant should provide a detailed narrative. If there are more than 5 pages for the selection criteria narrative, it will not be reviewed.
- 3. Budget /Budget Justification (Use Attachment 2):
  - 2 Pages Maximum
  - In addition to completing the budget page (one page), the applicant will provide a budget justification, to describe various line-items (one page).
  - A completed Detailed Budget (Attachment 2). Each item of the budget form is to be addressed; marked with zero if not applicable. Additional budget lines may be added to the form as required to characterize the project.
    - Applicants should attempt to obtain at least three (3) quotes for equipment and services to be funded through TEAP
- 4. Project schedule/timeline
  - One (1) Page Maximum - List or Narrative

(Applications failing to follow the length and formatting guidelines are subject to disqualification.)

## ***Selection Criteria***

<b>PROPOSAL: Applicants must explain each selection area. Applications are scored based on these criteria.</b>	
1. Tires recycled	<ul style="list-style-type: none"> <li>a) Estimated mass of scrap tires diverted from landfills (lbs. or tons) or number of scrap tires estimated to be diverted from landfills during project duration (up to 3 years)</li> <li>b) Estimated long term impact to scrap tire recycling in Tennessee</li> </ul>
2. Value	<ul style="list-style-type: none"> <li>a) Return on Investment - Number of tires recycled evaluated against the funds requested along with other factors that create value (explain value in comments); Describe the value such that this type of project is financially viable without grant funding or describe the value to scrap tire markets overall.</li> </ul>
3. Creative / New Technology	<ul style="list-style-type: none"> <li>a) Unique &amp; Emerging Technology</li> <li>b) Model for Future Projects</li> <li>c) Creation of end market for Tennessee scrap tires</li> </ul>
4. Public Awareness/ Exposure	<ul style="list-style-type: none"> <li>a) Relevant experience with the technology or process</li> <li>b) Strength of team assembled for project (including commitment of key participants) as evidenced by letters of commitment or support</li> <li>c) Schedule, milestones, and deliverables of project</li> </ul>
5. Geographic need for the project	<ul style="list-style-type: none"> <li>a) Demonstrate why location needs TEAP project, can be based on proximity to processors or need for scrap tire markets locally</li> </ul>

7. Community Development and Visibility
a) Number of project partners
b) Impact on the surrounding community (job creation, community mobilization, and/or educational value)
8. Ability to leverage(match) funding to enhance overall project objectives
a) Percentage of match
b) Description of match
9. Project viability (if applicable)
a) Proof of end-markets as evidenced by letters of commitment or support
10. Projected environmental benefits

## NOTE

- Funding will be awarded to applications selected according to fund limitations and the merit of the applications. Applications may be partially funded based on a revised scope and budget agreed upon by the applicant(s) and TDEC.
- Preference to be given to projects that use Tennessee contractors and local purchases of equipment.

## ***Budget***

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### BUDGET SPREADSHEET EXAMPLE

GRANT BUDGET				
Item	EXPENSE	FUNDS REQUESTED	GRANTEE MATCH	TOTAL PROJECT
1	Salaries/wages, Benefits & Taxes <sup>1</sup>			
2	Supplies, Equipment Rental & Maintenance, Printing & Publications			
3	Other <sup>2</sup>			
4	Capital Purchase <sup>2</sup>			
5	Indirect Cost			
6	In-Kind Expense			
	<b>GRAND TOTAL</b>			

<sup>1</sup> Funding of salaries/wages are only acceptable for tire-derived material use projects and research & development (for-profit entities may not propose that a project fund salaries/wages and they are not eligible to serve as match)

<sup>2</sup> Detailed itemized descriptions and costs are required for all items in these categories in the Budget Justification.

## **BUDGET JUSTIFICATION**

In addition to completing the budget spreadsheet (provided by the grantee), a budget justification must be included with either **three (3) quotes** for each line item involving a purchase or a justification for fewer quotes. The budget justification shall not exceed two (2) pages; this is in addition to the five (5) page limit for the project proposal.

## ***Contact***

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### **RESTRICTIONS ON COMMUNICATION WITH DEPARTMENT STAFF**

TDEC will respond to salient questions in writing with a Questions and Answers compilation and post that document to TDEC's website: <https://www.tn.gov/environment/program-areas/opsp-policy-and-sustainable-practices/opsp-sustainable-practices/opsp-tire-environmental-act-program.html>.

[Tire.grant@tn.gov](mailto:Tire.grant@tn.gov) shall be the point of contact for questions throughout the application and award process. All other communications (regular mail, express mail, electronic mail, or fax), concerning this application and award process must be addressed to:

Tennessee Department of Environment and Conservation  
Office of Policy and Sustainable Practices  
Tire Environmental Act Program  
William R. Snodgrass TN Tower  
312 Rosa L. Parks Ave, 2<sup>nd</sup> Floor  
Nashville, TN 37243  
[tire.grant@tn.gov](mailto:tire.grant@tn.gov)

Applicants should communicate with TDEC through the email identified in this manual. Limiting communication is essential in order to create fairness and impartiality in the process of reviewing the proposals for this grant program. Communication with other TDEC staff could be perceived as an effort to use special access to exert unfair influence in this discretionary grant award process. While TDEC generally encourages open communications, TDEC expects to administer this process fairly and reserves the right to reject an application for improper communication in violation of this provision.

***Frequently Asked Questions are provided on the TEAP webpage.***